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March 26, 1997

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Federal Communications Commission
Office of Secretary

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

re: Ex Parte Discussion: CC Docket No. 96-61, Policy and Rules Concerning the
Interstate, Interexchange Marketplace

Dear Mr. Caton:

Today Elroy Cartwright, Mike Bauer, Joan Byrne, Larry Lafaro and I, representing AT&T, met with Jordan Goldstein, Christopher Heimann, Susan Launer, Melissa Waksman and Staci Pies of the Common Carrier Bureau to discuss AT&T's Petition for Reconsideration in the above-captioned docket. The attached material was used during the meeting.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "E. E. Estey".

attachment

copy (without attachment) to:

Jordan Goldstein
Susan Launer

Christopher Heimann
Melissa Waksman
Staci Pies

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De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- **Customer Profile** - Mobile Customers leading busy, complicated lives that require simple and seamless communications solutions that enable them to stay connected and productive wherever they are and whenever they choose.

Spontaneous Users of the AT&T Network

- LEC Card holders
- Commercial Credit card holders
- Collect calls to non-AT&T PIC'd lines
- Bill To Third calls to non-AT&T PIC'd lines
- Person To Person sent-paid from non-AT&T PIC'd line
- Coin (need T&C only)
- Directory Services
- Dial Around

De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- Customer Needs
 - Simplicity
 - “I need communications products and services that make life simpler for me, not add to its complexity or confusion”
 - Convenience
 - “I need product and services that are simple enough to use when I’m in the car or stuck in an airport or hotel...”
 - Speed
 - “I need a service that lets me get where I want to go *now*”

De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- Alternatives
 - Optional automated Rate Quotes and Terms & Conditions with backup by a live AT&T Operator
 - Optional Rate Quotes and Terms & Conditions from a live AT&T Operator
 - Mandatory Rate Quotes and Terms & Conditions announcement

De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- Financial Impact
 - Increased cost to Consumer
 - Development expense
 - Capital expense
 - Incremental annual production expense
 - Regression impact on call volumes
 - Time Frame
 - Unknown
 - expense to identify Dial 1 “Dial around” in the Network
 - new card types (ATM, Debit, etc....)
 - billing impacts to external suppliers

De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- Other Spontaneous User Impacts
 - 20%-25% delay in call setup to provide options to hear Rate Quotes and Terms & Conditions
 - additional 1.5 to 2 minute delay to listen to announcements
 - increased frustration in a high stress environment
 - increased number of calls abandoned
 - interferes with computer and fax card billed calls
 - additional consumer price increases due to other mandates (per call compensation)

De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- Impacts to Providers
 - Diversion of resources necessary to invest in competitive products and services
 - Increase in non-revenue generating expense with corresponding decrease in Network efficiency
 - Also, significant impact on small service providers
 - Large base of frustrated and confused Customers

De-Tariffing: Implications and Consequences to Spontaneous User (i.e., Casual Users)

- Summary
 - Direct impact on provider resources
 - Potential financial burden to small providers
 - Negative Customer experience
 - Negative financial impact to the Customer